Rural Development Policy in the United States:
A Critical Analysis & Modest Suggestions

Beth Walter Honadle
Professor of Planning
University of Cincinnati
This Webinar is a Summary and Discussion of:

Rural Development Policy in the United States: A Critical Analysis and Lessons from the “Still Birth” of the Rural Collaborative Investment Program

*Community Development* Vol. 42, No. 1, January–March 2011, 56-69

Remarks for a Webinar for the Community Development Society and the North Central Regional Center for Rural Development, Monday, April 25, 2011
The Food, Conservation, and Energy Act of 2008
a.k.a. “THE 2008 FARM BILL”

• Enacted June 2008
• Rural development title authorized the new **Rural Collaborative Investment Program (RCIP)**
• RCIP goal was for rural areas to
  • define their own regions, and
  • Apply for funding to support the development of strategies to address *self-identified* needs
• Viewed as a flexible, bottom-up approach to rural development
The Backdrop for RCIP

• Earlier rural development programs and
• Programs that were not targeted specifically to rural areas, but served state- or locally-identified rural development goals
Intergovernmental Nature of Rural Development

• “perfect rural storm” (Fluharty, 2003)
  – “the rural dilemma in American federalism”
  “….Though many rural advocates believe greater state-level control over programs, personnel and funding works to the advantage of rural areas, this outcome remains uncertain.”

Remarks for a Webinar for the Community Development Society and the North Central Regional Center for Rural Development, Monday, April 25, 2011
Intergovernmental Nature of Rural Development (cont’d)

• “Nebraska, and likely other rural states, have taken [HUD’s CDBG program] and modified it to also address the development issues and needs of rural communities….‖ (Blair, Deichert, & Drizd, 2008)
Intergovernmental Nature of Rural Development (cont’d)

• A study of HUD’s (defunct) UDAG (Urban Development Action Grant) program in nonmetropolitan communities found “the UDAG program has been flexible in accommodating differences in economic development needs as perceived locally” (Honadle, 1987)
Focus of the paper

an analysis of the RCIP, what it was supposed to do, and how it (predictably) was a “still born” program

Remarks for a Webinar for the Community Development Society and the North Central Regional Center for Rural Development, Monday, April 25, 2011
A Logical Framework

• Useful for assessing programs and policies (Kumar, McLaughlin & Jordan)

• To quote the late John Brandl,
  Academics should ask, “[W]hat is the theory behind this [program, policy]? Why should we expect this to work” and consider whether sometimes the “theory” is nothing more than ‘wishful thinking’.
USAID “Logframe”

Input → output → purpose → goal
Inputs

• Raw materials that go into a process in which they will be converted to outputs (goods and services)

• With respect to RCIP, inputs would be
  – Funding (authorized to receive $135 million for FY 2009-2012)
  – Technical assistance
Outputs

• Inter-jurisdictional partnerships (i.e., federal dollars would be a carrot that coaxed rural governments to work in concert toward the betterment of rural regions)

• The logic is that by providing resources, incentives, and technical assistance to rural communities and local governments to help them form inter-jurisdictional partnerships, those rural communities will be more successful in leveraging resources and implement locally-driven strategies and projects.
Theory of the Program

• “The theory of the program is that if rural regions have ample financial resources (incentives), they will be more likely to carry out local plans more democratically and sustain ambitions developed at the grassroots.”
RCIP’s logic made sense

• Avoided sectoral policies of the past that transferred resources to relatively well-off individuals and corporations
• Avoided a top-down “cookie-cutter” approach
• Allowed for flexible regions that did not necessarily respect jurisdictional lines
• Decentralized (partnership)
The Crux of the Problem

• “No money has been expended on the newly minted programs which offered a window of opportunity for changing relationships in rural development policy implementation.”
2002 and 2008 Farm Bills

- 2002 Bill mandated the Rural Strategic Investment Program (RSIP), but the agricultural appropriations bills required to implement the program forbade USDA from spending the money.
- 2008 Farm Bill replaced RSIP with RCIP and made RCIP discretionary – thus, ensuring that rural interests had to make the case for funding each year.
- Instead, Farm Bill funding has gone to commodities, conservation, food and nutrition interests.
Explaining the Recurrent Federal Rural Development Stalemate

• The failure to have a meaningful, comprehensive rural development policy was predicable

• The surprise would be if there were a rural a national rural development policy (ignoring that ‘doing nothing’ is also a policy choice)
Why? (Honadle’s theory*)

- Context for rural development policymaking in the U.S. disfavors development of a rural development policy
- Inaccurate rural image
- Agricultural versus nonagricultural interest groups
- Congressional committee and bureaucratic structure
- Declining rural population
- Perceived competition with urban interests
- Federal system

*These ideas also appear in previous articles by Honadle in EDQ and JRAP articles.

Remarks for a Webinar for the Community Development society and the North Central Regional Center for Rural Development, Monday, April 25, 2011
Figure 1. The environmental context for rural development policy in the U.S.

Remarks for a Webinar for the Community Development Society and the North Central Regional Center for Rural Development, Monday, April 25, 2011
Current Prospects for RD Policy

• More regionally and locally targeted economic development strategies (Blakely & Leigh, 2010)
• Piecemeal, incremental, fragmented (like most policies)
• Rural areas face formidable challenges in competition for resources (Padt and Luloff, 2009)
• More rhetoric and photo-ops, but not necessarily any money for the programs
• More integration of rural development into other substantive areas.
Normative Endnote

“U.S. should develop policies that develop people and support community and economic development that reflect national priorities and local needs. The emphasis on schools, community colleges, broadband, and so on are not ‘Rural Development’ issues. They are issues for the United States’ future.”
Normative Endnote (cont’d)

• Using the logical framework, if the inputs (staff, loans, grants) continue to be in agriculture, then the outputs (farm subsidies, etc.) will be for the purpose of helping farms and agribusiness be more profitable.

• If the goal is to have strong, health rural communities with a diverse economic base and better standards of living, it will take a more comprehensive approach.
Normative Endnote (cont’d)

• Some possible steps:
  – Impact statements (assessments of how policies would affect rural areas, intentionally and unintentionally)
  – Guidelines that take into account the context of rural communities with their lower population densities and distances from major cities.
Thank you!